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RSM DISCOVERY 33

Management Knowledge

1st Quarter 2018

ROTTERDAM SCHOOL OF MANAGEMENT, ERASMUS UNIVERSITY

RSM - a force for positive change

Online product reviews and whether to believe them

By ***Christilene du Plessis***

Web-based user-generated content represents a potential goldmine for marketers trying to sell their products to the largest possible number of potential buyers. Getting previous consumers to give their products the online thumbs-up may seem like a guaranteed winner, but such a promotional strategy comes at a cost – a monetary cost and also the risk that paying consumers to deliver positive reviews may backfire on the grounds of credibility.

In a consumer world where the internet is both the root of and the solution to the problem, finding accurate and reliable information before making a decision to purchase a product or service has never been more challenging. Whilst the web offers advertisers a plethora of sales opportunities and consumers unrivalled knowledge of the best buys on the market, using the web intelligently and believing what one reads is another matter.

Consumers are less easily fooled by the hard sell as pushed by firms themselves and more open to the objective experience and opinion of their fellow buyers. In response to this, sellers are giving increased space and visibility to customer feedback. The US-based Yelp platform is just one example, based upon the 26,000 reviews currently published per minute on the site. The danger is that there is no 100 per cent guarantee of product or service providers being showered with praise. How, then, can a firm entice glowing reviews without seeming to pressurise customers into publishing comments that readers will quickly see through?

The consumer psyche

Research into the social influences that make the consumer mind tick dates back to the 19th century and was generated primarily due to an interest in advertising and its impact on people. Until recently, investigation of this very modern-day phenomenon has so far concentrated just on individual relationships, for example the dynamic between a seller and the consumer who writes a review or between the review and the reader. However, it is time that the two relationships were viewed in combination, not least due to the climate in which reviews are now solicited, published, read and critiqued.

Firms have growing recourse to incentive schemes in order to encourage consumers to contribute to product promotion, with payment coming in the form of coupons, rebates, free samples, and monetary payments, among other methods. This can have a knock-on effect on the degree of confidence with which reviewers write. In addition, review readers are increasingly web-savvy, making them more likely to take a critical distance and question why certain reviewers are so effusive in their praise. In an attempt to counter this underlying distrust by readers, firms therefore “go transparent” by flagging clearly when reviewers have contributed as part of an incentive programme (think Amazon Vine, for example, where it is explicitly mentioned at the beginning of any consumer feedback provided in the context of the scheme). Whilst this honesty-first policy may work in some cases, there also exists a major element of risk –

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the risk of a review reader backlash that will result in feedback not being taken seriously.

Money for nothing?

According to recent statistics, as many as 88 per cent of consumers rely upon product reviews when considering the wisdom (or otherwise) of a purchase. Faced with this growing demand for sales content generated by consumers (rather than the selling by firms themselves), incentive programmes have been set up in the hope that by ploughing budget into obtaining good reviews, sales will be boosted for a sizeable ROI. Amazon.com is just one example of this rising trend, with the percentage of its incentivised reviews growing from two per cent of all reviews to 50 per cent over the period 2012-2016.

In order to get value for the money they will invest in such incentive schemes it is essential that marketers understand the factors that will impact the response of review readers. Generally speaking it is neither absolute positivity or exhaustive length and detail that will be trusted by readers. A sense of balance is key, as well as the legitimacy of the writer's opinion as perceived by the reader. These factors are key in lowering the chances of a reader backlash to a review deemed either overly biased or simply unconvincing and uncertain. A recent multi-part research project has sought to understand the full chain of events, from the conditions in which the reviewer is writing through to the final reaction of the reader in order to ascertain if some firms are indeed spending money for nothing.

Cost of uncertainty

The first stage of the study focuses on the uncertainty caused within some

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review writers, based upon the degree of financial compensation received and the resultant effect on the reviews produced and the reception from readers. Real-life testing and reviewing of three products (a pair of headphones, an online video game, and a brand of yogurt) with differing levels of payment and involving a participant population of 600 Dutch university students and 300 US online panel participants, examined how the writers considered the legitimacy of their own opinion in relation to the reward they received. Participants were informed in advance how much they would be paid, as is the case in real-life review scenarios. A clear tendency for lower-paid reviewers to question the legitimacy of their own opinion and write more uncertain reviews was observed. This was then backed up by an additional step in the research, where readers then assessed the reviews in order to establish the knock-on effect that this uncertainty produces from the reader perspective.

The critical reader

The second dimension to the study introduced the notion of incentive disclosure, an increasingly prevalent reality in the world of online customer product reviews. This invariably takes the form of auxiliary information about the reviewer and/or the means by which their review was produced. Such a transparency policy would appear risky but what the research project aimed to establish was the impact of the critical reader mind on the credibility of the incentivised review where clear indication is made that the writer was rewarded. Based upon data collected from Amazon.com covering 300 reviews of 10 products during the period April-May 2014 which were subsequently assessed by 5000+ Amazon Mechanical Turk participants, the study drew a fine but clear line between incidental and integral uncertainty, based in part on the degree of incentive disclosure.

> *"Paying consumers to provide positive product or service feedback requires the perfect balance..."*

An important distinction

The study concluded that readers with doubts as to the ulterior motives behind a review question the relevance of their doubt for judging the reviewed product. In short, in contrast to the common belief that uncertainty regarding the trustworthiness of a reviewer will always decrease persuasion, the role of uncertainty in decision-making proves more nuanced and depends on whether uncertainty is deemed integral or incidental to judgment formation. Using a field study and two experiments, the research shows that disclosure-induced uncertainty about reviewer trustworthiness deemed integral to judgment formation, leads to lower product evaluations based on the incentivised review. However, when uncertainty is judged incidental to judgment formation, product evaluations are unaffected by incentive disclosure.

Paying consumers to provide positive product or service feedback requires the perfect balance – incentivising to an extent that writers feel confident enough in themselves to produce reviews that inspire confidence in readers without coming across as paid lip service that should not be trusted. In a web-based world where users and consumers are arguably the most valued advertising mouthpieces, it is more important than ever to not overstep the line between gaining good press and buying unconvincingly good publicity. ■

This article draws its inspiration from the PhD thesis *Influencers: The Role of Social Influence in Marketing*, written by Christilene du Plessis and published as part of the ERIM PhD Series Research in Management. It can be freely downloaded at
WEB https://repub.eur.nl/pub/103265

Christilene du Plessis *is Assistant Professor of Marketing, Lee Kong Chian School of Business.*
EMAIL *cduplessis@smu.edu.sg*